

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 2166 - HB 2353

March 11, 2022

SUMMARY OF BILL AS AMENDED (014900): Makes numerous changes regarding: (1) the administration of trusts; (2) the limitations of actions available to parties involved in a trust; (3) fiduciary attorney-client privilege; (4) the requirements for establishing and maintaining a “special purpose entity”, and (5) the provisions governing the voting of stock that is a trust asset.

FISCAL IMPACT OF BILL AS AMENDED:

Due to additional information provided by the Department of Financial Institutions, the original fiscal impact estimate issued on March 7, 2022, was determined to be in error. The fiscal impact has been corrected as follows:

(CORRECTED)

Decrease State Revenue - \$2,000

Decrease State Expenditures - \$2,000

Assumptions for the bill as amended:

- The provisions related to “special purpose entities” will change certain notifications and requirements for establishing and maintaining such an entity in the state and with the Department of Financial Institutions (DFI), including removing the requirement for an annual \$1,000 fee to be paid by such entities to DFI for continued registration, and deleting a requirement for these entities to provide an annual report to the department.
- There are two “special purpose entities” currently registered with the department.
- According to DFI, the loss of the \$2,000 in annual revenue (2 entities x \$1,000) will be offset equally by the decrease in time and effort required to review the information contained in the annual reports.
- Therefore, the net fiscal impact to DFI is estimated to be not significant.
- All other provisions pertain to the financial arrangements and requirements of private parties. As such, any impacts from those provisions will be borne by the relevant private parties.

SB 2166 - HB 2353 (CORRECTED)

- The legislation is not expected to result in a significant increase in the caseload or administrative burden of state or local courts.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jj